

WEATHER FORECAST.
Fair to-day and to-morrow, with moderate temperature; moderate to fresh winds.
Highest temperature yesterday, 81; lowest, 68.
Detailed weather reports will be found on editorial page.

THE NEW YORK HERALD

(COPYRIGHT, 1921, BY THE SUN-HERALD CORPORATION.)

THE BEST IN ITS HISTORY.
The New York Herald, with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

VOL. LXXXV.—NO. 350—DAILY.

NEW YORK, MONDAY, AUGUST 15, 1921.—ENTERED AS SECOND CLASS MATTER, POST OFFICE, NEW YORK, N. Y.

PRICE TWO CENTS
THREE CENTS
WITHIN 200 MILES
FOUR CENTS ELSEWHERE

EXPENSES OF CITY, DIRECTED BY Hylan, JUMP 50 PER CENT.

Central Administration
Bureaus and Offices In-
crease Budgets in Three
Years \$107,406,300.

ONE \$100,000 SAVING

But It Was Effected Only
at Cost of Millions by
Ousting the Experts
Mitchel Trained.

NO BRAKES ON SALARIES

Meyer Committee Will Ask
Comptroller Craig for Infor-
mation That Executive
Did Not Give.

When Mayor Hylan admitted last week during his examination by ex-Senator Elton R. Brown, counsel for the Meyer committee, that he had been unable to live up to his pre-election promises of economy but had permitted the cost of running the city government to mount to extravagant heights, he forgot or omitted to take credit for keeping one of his pledges and practising strict economy in one direction, even at the expense of extravagance in others.

That direction was and is in the management of the functions of the Board of Estimate and Apportionment, of which the Mayor is himself the chairman and chief directing officer. The Mayor's three votes, together with those of the Comptroller and the President of the Board of Aldermen, constitute a majority of the sixteen votes in the board.

"Economy" to the extent of almost an even \$100,000 was practised by the Hylan administration in reducing the budget of the Board of Estimate from \$484,101 in 1918 to \$384,286 in 1921. But as a direct consequence there has been an increase of millions in the budgets of every city department under the Mayor's direct control, amounting to a total of \$107,406,300 for the entire city budget between 1918 and 1921.

Budgets All Show Rise.
In the bureaus and offices of "central administration," those of the Mayor and the Comptroller themselves, the Law Department, the Board of Elections and other boards and bureaus directly under the Mayor's control, there has been an increase of just 50 per cent, their joint budgets rising in three years from \$5,471,866 to \$8,176,530.

Mayor Hylan vowed he would abolish the "useless and inefficient" bureaus in the Board of Estimate which Mayor Mitchell had established, vowed he would dismiss any and every "expert" he found in the city's employ, especially in these bureaus, and promised that with such an instant and sweeping reform in the direction of the city's affairs under his own personal control there would result a natural and inescapable series of economies in every bureau and department guided or controlled by the Mayor.

Mayor Mitchell had been at great pains to reconstruct the functions of the Board of Estimate, creating special bureaus in it which specified for him with special exactitude how every dollar of the city's money was spent. Under him the Board of Estimate, with its Bureau of Contract Supervision, its Bureau of Public Improvements, its Bureau of Franchises, its Bureau of Personal Service and its committees on Education and on City Plan—all functioning additionally to, and to a large extent separately from, the main Bureau of Records and Minutes, really the secretary's office, became the very hub and centre of every city activity. It was the engine that drove the city, the heart that enlivened every city limb and organism.

One Bureau Partly Replaced.
It cost a little money to bring up the Board of Estimate office, which therefore had been largely, as it is to-day, a recording office, a diary of the city's doings, to this condition of being the city's actuating force. The Bureau of Personal Service, which supervised the regulating and grading of salaries and also took care of the City Employees Retirement Pension System, cost \$100,000 a year. The Bureau of Contract Supervision which checked up, as its name implies, on every city contract, whether let by bid or granted on open order, cost over \$150,000 a year.

The Committee on Education gave to the Mayor and the other members of the Board of Estimate an accurate and full knowledge of what was going on in the expensive and partly independent Department of Education, and it cost as much as \$150,000 a year, while the Committee on City Plan, which had under constant survey for

National Guard Called in Carolina Mill Strike

RALEIGH, N. C., Aug. 14.—Two companies of National Guard troops were ordered to Concord by Gov. Cameron Morrison to-night to suppress disorders growing out of a strike of cotton mill workers in progress there for several months.

Major B. R. Faison, commanding the Second Battalion, First North Carolina Infantry, was directed to take command.

LEADERS JOIN HINES IN FIGHT ON MURPHY

Democratic Candidate for Borough President to Make Tammany Boss Sole Issue.

PLANS COMPLETE TICKET

Overtures Made to Talley and Schneider—State Will Represent the Party.

The announcement of James J. Hines, anti-Tammany Democratic leader of the Eleventh Assembly district, Manhattan, that he will go to the voters with his fight to oust Charles F. Murphy from control of Tammany Hall, met a response yesterday which kept Hines' clubhouse in Harlem crowded all day and late into the night with leaders and other prominent Democrats who assured him of their support.

Mr. Hines made it clear to them that he has announced himself for the borough presidency of Manhattan solely for the purpose of making Murphy the issue. It will be the first time the enrolled Democrats of the city have had an opportunity to say whether they wish Murphy to remain as boss of Tammany, or for him to step down and out to make way for a leader whose mind is more amenable to the wishes and judgment of advisers.

"There will be a complete city anti-Tammany ticket," Mr. Hines said, "though I wish to make it clear that I am not making out that ticket. The slate, so far as I am concerned, will be made out according to the wishes of the enrolled voters. We have had enough of the other kind of slate. The dictation of tickets, without regard to the wishes of the voters, has brought about this fight."

"Many district leaders have called upon me to-day and assured me of their support to end the hand method of Murphy. Rest assured that Murphy will be the issue. Leaders have told me that they simply could not go to their following and recommend to them some of the men Murphy has selected for the Tammany ticket, for the reason that not only are they men whose service to the party has amounted to little or nothing, but some of them are absolutely unknown—never heard of until Murphy heralded them to the city as candidates for office on his hand picked ticket."

Joseph Shalleck, Mr. Hines' manager, was equally optimistic over the outlook for support for the insurgent movement. "Everything is going along in great shape and getting stronger every minute," he said. "District leaders have been seeing me all day and telling me that they are with Mr. Hines against Murphy. A vote for Hines is going to mean a vote against the sort of thing that Murphy stands for and is doing, and that is going to be a great drawing card. Hines' campaign will afford the enrolled Democrats of New York their first opportunity to go to the polls and register with their own votes their verdict as to whether Murphy shall stay or go."

Overtures have been made to such men as William Schneider, Clerk of New York county; Judge Alfred Talley of General Sessions and City Magistrate Joseph E. Corrigan, who have felt the weight of Murphy's displeasure, for places on the Hines ticket. Conferences will be held to-day for the purpose of setting the formulation of a ticket under way. Mr. Shalleck said that only men whose worth to the Democratic party and to the public has been proved by service will be considered, and that personal preferences and log rolling will not govern their selection. "We want and propose to have a ticket which shall be representative of the party and the city," he said.

BELGIUM AND ENGLAND FIRST IN INDEMNITY

One Billion Marks Will Be Divided.

PARIS, Aug. 14.—The first billion marks paid over by Germany to the Allies is to be divided between payment of the costs of the British Army of Occupation and the payments to Belgium under the latter's priority claim, the Allied Financial Commission has decided.

The commission also decided that the value of the German mines is to be reckoned as among the payments received by France before May 1. As the value of these mines, together with the value of reparations in kind already received by France, exceeds France's expense for her Army of Occupation, the commission will take the excess into account at the end of five years, when it is expected Belgium's priority claim will have been satisfied.

GERMANY TO ATONE.

MALAC, 365 FEET UP, FIGHTS 2 POLICEMEN ATOP BRIDGE TOWER

Thousands See Capture on Williamsburg Span Over East River.

CHEER PERILOUS FEAT
Kelly and Quealy Straddle Girder to Get Youth Screaming in Air.

DEMENTED OVER CORNET

Dragged 150 Feet Down Ladder With Aid of Two Other Members of Force.

Two traffic policemen fought for their lives with a maniac on a narrow girder of the Williamsburg Bridge 365 feet above the East River yesterday afternoon.

Thousands of persons, powerless to render aid, watched the two as they dragged the madman to the top of the tower on the Manhattan end of the structure and took him safely down 150 feet on a narrow ladder at an angle of forty degrees to the roadway of the bridge.

The man squirmed and struggled during his slow progress downward and it seemed to the watchers below that the three, with two other policemen who went to the aid of their comrades, must momentarily pitch from the dizzy height to their deaths.

When at length they reached the broad roadway of the bridge scores of automobile horns and the hoarse whistles of tugboats in the river set up a roar of exultation, joined in by the voices of onlookers from nearby housetops, streets and even the Manhattan Bridge a short distance down-river.

Traffic Policeman Michael J. Kelly of 137 Winter avenue, West Brighton, Staten Island, and John Quealy of 3185 Silver street, Glendale, Queens, were on duty near the Manhattan terminal of the bridge at 1 o'clock in the afternoon when they saw a man dancing upon the top of the nearby tower which rises from the river. The only way of reaching the top is on twelve inch ladders erected for painters on either side of the cables.

The two policemen had about a quarter of a mile to cover along the foot of the cables and both were out of breath when they started their climb.

Man Crawls to Girder.

Kelly reached the top first. He found he would have to crawl through a narrow opening to reach the flagpole platform surmounting the tower, from where the stars of the flag might take flight. He went into court the board refrained from making public statements in the hope that the Maysers would come to their senses in the full realization of the financial difficulties in which they had involved themselves, and in good conscience as good Americans and return the ships to their rightful owners—the Shipping Board.

Mr. Lasker's prepared statement, which has been sworn to and will be filed with Judge Mayer in the United States District Court this morning, sets forth that the insolvent of the United States Mail not only endangered the existence of the only American passenger liner, but also threatened to pile up against the ships further large charges which the new Shipping Board believed the Government was not prepared to pay.

"In addition," said Mr. Lasker, "the company had pursued and was pursuing a practice which could not be tolerated, that is of an insolvent company selling tickets in advance for passengers and accepting money for future freight transportation, and diverting the money to other purposes without adequate provision for the expenses of the voyages for which it was collected."

"In other words, the company, having no funds of its own, and in order to keep afloat, was placing in the market the future operation of the ships which was constantly mounting in size. By this means it was postponing the hour when the company would break and when this inevitable time should arrive (the company's books disclose that it has always been insolvent), the Shipping Board would be morally bound to honor the tickets which had been and were being sold."

Moreover, Mr. Lasker said, there were indications that various creditors of the United States Mail intended to institute a practice which could not be tolerated, that is of an insolvent company selling tickets in advance for passengers and accepting money for future freight transportation, and diverting the money to other purposes without adequate provision for the expenses of the voyages for which it was collected."

"The new Shipping Board," said Mr. Lasker, "could be guided only by the facts as it knew them, and these facts proved that the United States Mail had never been able to finance, even remotely, the contract it had undertaken to perform. It was insolvent, and it had sought constantly to shift to the board the financial and other obligations it had voluntarily assumed; that it was entangled in a debt; that it was the patience of its private creditors had become exhausted; that it was resorting to every expedient it could devise to evade payments overdue to the Government."

Continued on Third Page.

Heavy Snow in the Alps Forces Climbers to Huts

GENEVA, Aug. 14.—It has been snowing heavily in the Alps for the last twenty-four hours and several parties of climbers are temporarily snowed up in Alpine huts. From twenty to thirty inches of snow has fallen in places above the level of 6,000 feet.

The thermometer dropped 30 degrees, forcing visitors at the various resorts, who a week ago went without coats, to don overcoats and furs.

U.S. MAIL LINE BROKE, SHIPPING CHIEF SAYS

Chairman Lasker Asserts That Affairs of Company Are Hopelessly Tangled.

KEW IT ON JULY 21

Says That Nobody Was Paid and That U. S. Is Responsible for Huge Debts.

Albert D. Lasker, chairman of the United States Shipping Board, in the first public explanation which he has made of the seizure on July 22 of nine ships operated by the United States Mail Steamship Company, gave out a statement yesterday in which he declared that the line was insolvent; that it had been insolvent from the beginning, and that it was foreseen by the board that a disastrous crash must come unless it stepped in.

"On July 22 we knew that the United States Mail was insolvent," he said, "and the action we took, far from being the cause of the company's embarrassment at any later time, was taken because we felt, with the knowledge the Government had of the Maysers' financial condition, we were not justified in allowing innocent creditors to be further duped."

In explaining the reasons for the action of the board against the United States Mail, of which Francis R. Mayer is president, and his father, Charles Mayer, is chairman of the board of directors, Mr. Lasker said:

"The hopelessly tangled financial situation of the United States Mail and the Maysers was known to the board when it undertook to retake the ships. The board was advised by its own counsel and by eminent outside counsel that it would surely get outside of the ships by filing a possessory libel. There can be no doubt that under the possessory libel procedure the Shipping Board could have got its ships back. But such procedure, counsel also advised, would tie the ships up for an indefinite time."

"The Shipping Board was unwilling to take any action, even that which insured its legal rights, which might take the stars of the flag temporarily off the seas. Immediately the United States Mail went into court the board refrained from making public statements in the hope that the Maysers would come to their senses in the full realization of the financial difficulties in which they had involved themselves, and in good conscience as good Americans and return the ships to their rightful owners—the Shipping Board."

Mr. Lasker's prepared statement, which has been sworn to and will be filed with Judge Mayer in the United States District Court this morning, sets forth that the insolvent of the United States Mail not only endangered the existence of the only American passenger liner, but also threatened to pile up against the ships further large charges which the new Shipping Board believed the Government was not prepared to pay.

"In addition," said Mr. Lasker, "the company had pursued and was pursuing a practice which could not be tolerated, that is of an insolvent company selling tickets in advance for passengers and accepting money for future freight transportation, and diverting the money to other purposes without adequate provision for the expenses of the voyages for which it was collected."

"In other words, the company, having no funds of its own, and in order to keep afloat, was placing in the market the future operation of the ships which was constantly mounting in size. By this means it was postponing the hour when the company would break and when this inevitable time should arrive (the company's books disclose that it has always been insolvent), the Shipping Board would be morally bound to honor the tickets which had been and were being sold."

Moreover, Mr. Lasker said, there were indications that various creditors of the United States Mail intended to institute a practice which could not be tolerated, that is of an insolvent company selling tickets in advance for passengers and accepting money for future freight transportation, and diverting the money to other purposes without adequate provision for the expenses of the voyages for which it was collected."

"The new Shipping Board," said Mr. Lasker, "could be guided only by the facts as it knew them, and these facts proved that the United States Mail had never been able to finance, even remotely, the contract it had undertaken to perform. It was insolvent, and it had sought constantly to shift to the board the financial and other obligations it had voluntarily assumed; that it was entangled in a debt; that it was the patience of its private creditors had become exhausted; that it was resorting to every expedient it could devise to evade payments overdue to the Government."

Continued on Third Page.

Continued on Fifth Page.

WORK OF CAMORRA BOOTLEGGING BAND SEEN IN 18 MURDERS

Death Messages Cabled From Headquarters in Italy, Police Believe.

ALL BALK DETECTION

Shooting of Marino and Assassination of Altieri Directed From Abroad.

MAKING HUGE PROFITS

Informers and Men Who Fail to Take Orders Marked for Killing.

Back of the eighteen murders that have centered around Grand and Chrystie streets during the last year stands, according to detectives investigating the crimes, the Camorra of Italy. The organization that for years made multitudes shudder at the mention of its name is reported to have turned its activities from blackmail to bootlegging.

Leaders across the Atlantic are directing through agents here a traffic in liquors that has been more profitable than kidnapping or terrorizing peaceful merchants by threats of bomb outrages. The victims of the murders have been men who dared to interfere with the operations of the Camorra bootleggers or agents who refused to do its bidding.

The hand of the Camorra, according to the police, is seen in the systematic manner in which the majority of the murders were carried out. No trail was left behind. The victim virtually was led to his death by a supposed friend, who pointed him out to the murderer, an imported gunman, who carried out his instructions, cabled from overseas, and then departed for the place whence he came.

Prohibition cut off the flow of chianti to this country, with the result, it is said, that the Camorra found trafficking in the wine not only better business than blackmail, but far less dangerous. No great change was necessary to make the change. It was just a case of abandoning the old wine cask and seeking some of the local members became wealthy and manifested a desire to be done with bootlegging, but this, it was said, was not to the liking of the leaders. Others turned informers. Then the murders began.

Hidden Acts of the Camorra.

Some explanation usually is obtainable for a street shooting. The murderer was seen by somebody who could identify him or her or else a friend of the victim gave the police the key to the mystery. But in these eighteen murders the police have been left even what might be called a fair description of the assassins. In all, however, virtually the same tactics were employed, and it is in this sameness that the death dealing art of the Camorra is seen.

First there is the code message by cable to the recognized head of the Camorra in this city, Chicago or Philadelphia, or wherever the gunman approaches the wrath of the mighty of the band, and his death is decreed. No warning is sent out, as in the days before the war. When the deed is to be done the "friend" or stalker, horse, walks up to the victim in the street and engages him in conversation. Not far behind stands the imported gunman, who takes a good look at his man and at the same time looks at the police.

Soon the "friend" saunters away with a friendly farewell, and the unsuspecting victim passes on. Before he has gone a hundred yards the gunman approaches, pulls his pistol and fires. The whole proceeding takes a minute. The bullet invariably hits a vital spot, and when the smoke has cleared away it is observed that the orders of the Camorra have been carried out faithfully.

Witnesses Not Reliable.

So far as the detectives are concerned, they have to depend upon the disconnected stories of persons who fled into hallways and other points of safety with the first crack of the pistol. They usually are hysterical or highly excited, and are given to flights of fancy regarding what happened, which is absolutely valueless to the police. The detectives have found that no two persons whom they have reason to believe saw the murderer will give descriptions that agree in the main.

The police are now satisfied that the slaying of Alberto Altieri, Italian bootlegging king, who was buried recently in Naples, with almost royal honors, was directed by the Camorra for some secret reason, and by the same method of reasoning it is concluded possible that Frank Laurillo, Joseph Pasantino and Joseph La Monica followed one another to the grave in rapid succession in accordance with the code of instructions. All of them, with the exception of Laurillo, were born in Italy, and their activities had been under police observation long before they lost their lives.

But for the attempted slaying Saturday afternoon of Frank Marino at the Grand and Chrystie street murder corner the police are not prepared to give an explanation. Bootlegging is the strongest suspicion at present, but there also is a feeling that the shooting of Marino may be a reflex from the slaying August 4 of Laurillo at virtually the same point. Laurillo was well known at Police Headquarters as "Dago

Continued on Third Page.

Continued on Fifth Page.

DOMINION RULE REJECTED BY DE VALERA FOR IRELAND; HOPE OF PEACE STILL HOLDS

Letters Reveal Premier's Veto of Full Independence

By the Associated Press.

LONDON, Aug. 14.—Herewith are the final letters between the British Prime Minister, David Lloyd George, and Eamon de Valera, Irish Republican leader, in which Mr. de Valera refuses to accept the dominion status offered Ireland by the Prime Minister and the Premier's reply:

On August 10 Eamon de Valera addressed the following communication to Premier Lloyd George:

"Sir: On the occasion of our last interview I gave it as my judgment that the Dail Eireann could not, and the Irish people would not, accept the proposals of your Government, set forth in draft July 20. Having consulted my colleagues and with them given these proposals most earnest consideration, I now confirm that judgment.

"The outline given in the draft is self-contradictory and the principle of the pact not easy to determine. To the extent that it implies recognition of Ireland's separate nationhood and her right to self-determination, we appreciate and accept it.

"But in the stipulations and express conditions concerning vital matters the principle is strangely set aside and a claim advanced by your Government to an interference in our affairs and to a control which we cannot admit.

"Ireland's right to choose for herself the path she shall take to realize her own destiny must be accepted as indefeasible. It is a right that has been maintained through centuries of oppression, at the cost of unparalleled sacrifices and untold suffering. We cannot propose to abrogate or impair it, nor can Great Britain or any other foreign state or group of states claim to interfere with its exercise in order to serve their own special interests."

Declaring that it is Ireland's desire to be free of imperialistic entanglements which will prove destructive of Irish ideals and be fruitful only of ruinous wars and crushing taxation, Mr. de Valera says:

"Like the small states of Europe, the Irish people are prepared to hazard their independence on the basis of moral right, confident that as they would threaten no nation or people they would, in turn, be free from aggression themselves."

Asserting that this is the policy that Irishmen have declared for in plebiscite after plebiscite, Mr. de Valera continues:

"As for myself and my colleagues, our deep conviction is that true friendship with England, which military coercion has frustrated for centuries, can be obtained most readily now through amicable but absolute separation. The fear, which we believe groundless, that Irish territory may be used as the basis for attacks upon England's liberties, can be met by reasonable guarantees not inconsistent with Irish sovereignty."

Mr. de Valera declares that a Dominion status for Ireland is illusory. He says the freedom the British Dominions enjoy is less the result of legal enactments or treaties than of the immense distances which separate them from Great Britain and make interference by Great Britain impracticable.

"The most explicit guarantees, including the Dominions' acknowledged right to secede," Mr. de Valera continues, "would be necessary to secure for Ireland an equal degree of freedom. There is no suggestion, however, in the proposals made of any such guarantee."

"Instead, the natural position is reversed. Our geographical situation with respect to Great Britain is made the basis of denials and restrictions unheard of in the case of dominions. The smaller island must give military safeguards and

"We reciprocate with a sincerity to be measured only by the terrible sufferings our people have undergone, the desire you express for a mutual and lasting friendship. The sole cause of the ancient feuds you deplore has been, as history proves, the attacks of the English rulers upon Irish liberties. These attacks can cease forthwith if your Government has the will.

"The road to peace and understanding lies open."

Premier Says Geographical Position Forbids Giving Freedom to Ireland

Premier Lloyd George's reply, which was dated August 13, follows:

"The earlier part of your letter is so much opposed to our fundamental position that we feel bound to leave you in no doubt of our meaning. You state that after consulting your colleagues you confirm your declaration that our proposals are such as the Dail Eireann could not and the Irish people would not accept. You add that the outline given by our draft is self-contradictory and that the principle of the pact offered you is not easy to determine. We desire therefore to make our position absolutely clear.

"In our opinion nothing is to be gained by prolonging the theoretical discussion of the national status which you may be willing to accept, as compared with that of the great self-governing dominions of the British Commonwealth, but we must direct your attention to one point on which you lay some emphasis and on which no British Government can compromise, namely, the claim that we should acknowledge the right of Ireland to secede from her allegiance to the King.

"No such right can ever be acknowledged by us. The geographical propinquity of Ireland to the British Isles is a fundamental fact. The history of the two islands for many centuries, however it is read, is sufficient proof that their destinies are indissolubly linked.

"Ireland has sent members to the British Parliament for more than a hundred years. Many of her people during all that time have enlisted freely and served gallantly in the forces of the Crown. Great numbers in all the Irish provinces

Sinn Fein Says Complete Freedom Is Essential to Any Real Basis for Peace.

SECESSION IS DENIED

Premier's Last Note Says That Great Britain Will Not Increase Its Offer.

HE REJECTS ARBITRATION

Craig Emphatically States Ulster Will Never Sever Relations With the King.

By the Associated Press.

LONDON, Aug. 14.—Eamon de Valera, leader of the Irish Republicans, has refused to accept the proposals of the British Government, constituting dominion government and having as their basis the bringing about of peace in Ireland, declaring that the conditions sought to be imposed constitute interference in Irish affairs and control which cannot be permitted.

On the other hand, Mr. Lloyd George has informed Mr. de Valera that there can be no compromise on the question of the right of Ireland to secede from her allegiance to the King. The Premier tells Mr. de Valera that the conditions of the proposed settlement contain no desire on the part of Great Britain for British ascendancy over Ireland or the impairment of Ireland's national ideals.

"Our proposals present to the Irish people," says the Premier, "an opportunity such as never has dawned in their history before. We have made them in a sincere desire to achieve peace, but beyond them we cannot go."

Door Is Left Open.

Mr. Lloyd George leaves open the door for possible further negotiations with Mr. de Valera by saying that the Government will discuss the application of the principles of its offer whenever acceptance of the principles is communicated to him.

Simultaneously with the making public of the correspondence between Mr. Lloyd George and Mr. de Valera a note to the Premier, signed by Sir James Craig, the Ulster leader, also was published. This note, after declaring the loyalty of the people of Ulster to the Empire, declares that in the interest of peace they consented to the establishment of a Parliament in northern Ireland, and now are carrying out their part of that contract, while the southern Irishmen "have chosen to repudiate the Government of Ireland act and press Great Britain for wider powers." It adds that to join in such pressure would be repugnant to the people of northern Ireland.

The note declares that Ulster's acceptance of an invitation to meet the Government in conference holds good, but that no meeting between Mr. de Valera and Sir James Craig is possible until De Valera recognizes that northern Ireland will not submit to any other authority than the King and Parliament, and admits "the sanctity of the existing powers and privileges of the Parliament and Government of northern Ireland."

Two Vital Differences.

The official records in the Irish peace negotiations were made public unexpectedly to-day. They show, seemingly, a deadlock, based on two vital differences between De Valera and the Premier—De Valera's renewed insistence on independence and that Ulster shall be regarded merely as a minority faction of an Irish nation.

The disclosures constitute the keenest political sensation since the close of the war. The politicians of both England and Ireland to-night were discussing the question whether the door had been closed on further negotiations. They seemed to find in the conciliatory tone of the correspondence, however, ground for hope that some bridge might yet be built across the chasm of difference over the question of independence. It was the consensus that all depends upon the temper of the Dail Eireann when it meets in Dublin on Tuesday, but that altogether Ireland stands at present at the most critical point of her history.

The British offer to Ireland, which included complete autonomy in finance and taxation, military forces for home defence, her own police and, among other things, control of the Irish postal service, and which was made on July 20, said:

"The British Government are actuated by an earnest desire to end the unhappy divisions between Great Britain and Ireland which have produced so many conflicts in the past and which have once more shattered the peace and well being of Ireland. At the present time they long with his Majesty the King, in the words of his

Continued on Second Page.